

## EBIT above expectations

Fellow Finance's H2/2018 revenue and EBIT amounted to EUR 6.4m (Evli EUR 6.7m) and EUR 2.3m (Evli EUR 1.7m) respectively. Fellow Finance expects revenue in 2019 to grow by over 30 % and the adjusted EBIT to grow compared to 2018. The dividend proposal is EUR 0.04 per share (Evli EUR 0.10).

- Revenue in H2 amounted to EUR 6.4m (EUR 4.7m in H2/17), slightly below our estimates (Evli EUR 6.7m).
- Fellow Finance facilitated loans during 2018 for a total of EUR 172m (Evli 164m).
- EBIT in H2 amounted to EUR 2.3m (EUR 1.5m in H2/17), above our estimates (Evli EUR 1.7m). The adjusted EBIT amounted to EUR 2.5m excluding expenses related to the company's IPO.
- EPS in H2 amounted to EUR 0.0 per share. The for listing expenses adjusted EPS amounted to EUR 0.14.
- **Dividend:** Fellow Finance's BoD proposes a dividend of EUR 0.04 per share (Evli EUR 0.10)
- **Guidance:** Fellow Finance expects revenue in 2019 to grow by over 30 % and the adjusted EBIT to grow compared to 2018.
- Fellow Finance expanded its service offering to Denmark during early 2019, now having a presence in five countries.

### Rating

 **HOLD**

H2/18	Actual	Evli	H2/17
Revenue	6.4	6.7	4.7
EBIT	2.3	1.7	1.5
EPS	0.00	0.00	0.12
DPS	0.04	0.10	0.09
Deviation	Actual	Evli	H2/17
Revenue		-4%	36%
EBIT		35%	53%
EPS		-	-98%
DPS		-60%	-55%

Share price, EUR (Last trading day's closing price) **7.80**

Target price, EUR **8.0**

Latest change in recommendation **22-Nov-18**

Latest report on company **22-Nov-18**

Research paid by issuer: **YES**

No. of shares outstanding, '000's **7,129**

No. of shares fully diluted, '000's **7,129**

Market cap, EURm **56**

Free float, % **-**

Exchange rate **0.000**

Reuters code **FELLOW.HE**

Bloomberg code **FELLOW HE**

Average daily volume, EURm **0.0**

Next interim report **14-Feb-19**

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 BUY  HOLD  SELL

### PRE-REPORT KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	Ptx profit EURm	EPS EUR	P/E (x)	EV/Sales (x)	P/CF (x)	EV/EBIT (x)	DPS EUR
2016	6	1	16.4%	0	0.01	0.0	2.0	0.0	12.1	0.00
2017	9	2	28.8%	1	0.19	0.0	1.7	0.0	5.9	0.09
2018E	12	3	27.5%	1	0.11	70.7	5.1	45.1	18.7	0.10
2019E	17	5	26.7%	3	0.37	21.3	3.7	31.0	13.8	0.11
2020E	25	7	26.2%	5	0.59	13.3	2.5	21.0	9.7	0.18
Market cap, EURm	56		BV per share 2018E, EUR		1.9		CAGR EPS 2017-20, %		46.5	
Net debt 2018E, EURm	7		Price/book 2018E		4.1		CAGR sales 2017-20, %		42.2	
Enterprise value, EURm	63		Dividend yield 2018E, %		1.3		ROE 2018E, %		8.9	
Total assets 2018E, EURm	32		Tax rate 2018E, %		21.8		ROCE 2018E, %		13.2	
Goodwill 2018E, EURm	0		Equity ratio 2018E, %		41.9		PEG, P/E 18/CAGR		0.7	

All the important disclosures can be found on the last pages of this report.

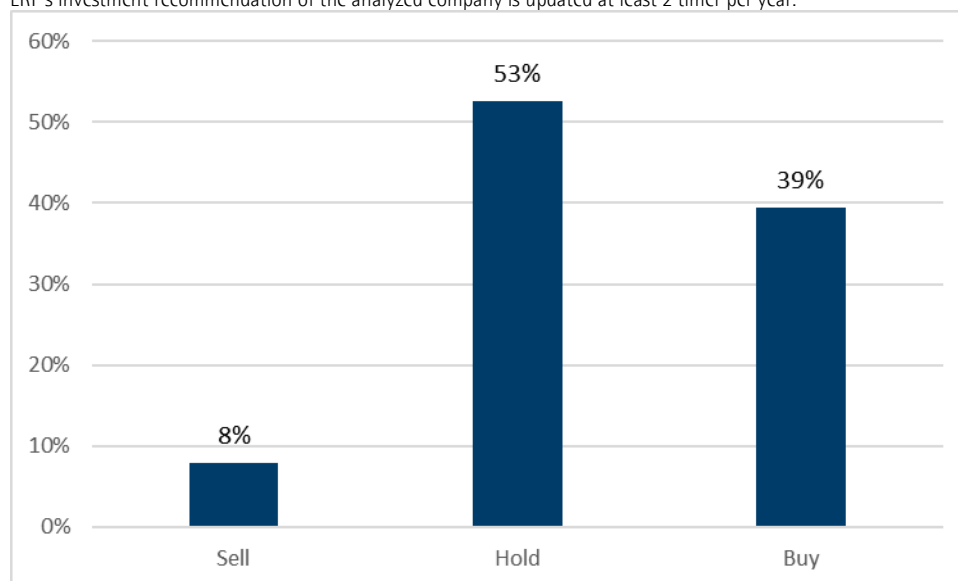
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Investment recommendations are defined as follows:

Target price compared to share price	Recommendation
< -10 %	SELL
-10 - (+10) %	HOLD
> 10 %	BUY

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Name(s) of the analyst(s): Salokivi

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